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WHAT THE AMERICAN FLEET COULD DO FOR CHINA.

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WHAT does that part of the American public which takes an intelligent interest in Oriental affairs hope from the visit of the battleship fleet to Chinese waters? Is it expected that the mere fact that this powerful armada will anchor off the coasts of China, thus advertising to Continental Asia what American naval strength is, will be sufficient materially to correct a situation which, since the close of the Russo-Japanese war, has become full of highly disconcerting, if not of alarming, elements? Or is it perhaps feared that this visit, if it is made anything but the purest formality, may serve to intensify, rather than to relieve, the peculiar symptoms which have been so widely commented upon since those almost-forgotten days when the Treaty of Peace, concluded at Portsmouth, was the subject of endless encomiums?

These and similar questions are just now interesting every intelligent observer resident in the Far East; and, though the full answers can only be guessed at, partial answers are eagerly read in such summaries of opinion as come over the telegraph-wires, or travel out by the slow-moving mail-boats. This curious solicitude exists mainly because the hope is now almost universally cherished in the Far East that the United States will play a com-

manding rôle in the near future, and will under no circumstances suffer herself to be relieved of her responsibilities by any such complacency as characterized her attitude during the time of the passing of unfortunate Korea.

And here, incidentally, we have the *cruz* of the whole question. How far is America's moral responsibility in the Far East held by American statesmen to go? If the American Government believes that it would be unwise, and even dangerous, to adopt, for the time being, anything but a very perfunctory attitude—ignoring the real problems and dwelling on the unimportant ones—then the American fleet would do well to remain far away from China and not to raise false hopes. If, on the other hand, intelligent and active solicitude is going to be shown for China's future welfare, then an immense amount of good may come from the visit of the fleet to Chinese waters. The exact reasons for this statement are duly set forth in this article.

First, however, as an introduction, it must be said that, though a comparison between China and Korea may seem at the moment out of place, American readers should remember that Manchuria is as much a portion of modern China as the Pacific States are of the American Union: and, therefore, if what is going on in Manchuria (the occupation of which is exactly similar from the Chinese point of view to an occupation of California from the American point of view) to-day passes unchallenged and unnoticed, save in a perfunctory manner, in the to-morrow of diplomacy a similar state of affairs could easily arise in any other portion of the Chinese Empire at a moment when the world's attention was distracted by other problems. And then, with this precedent of Manchuria to be pointed at by the usurping Power, it would be difficult for any friendly Power, with the *fait accompli* staring it in the face, to advance the argument that the disintegration of China was being more actively prosecuted than heretofore.

This is why the present times are so important. They are important because they furnish both clues and arguments regarding what the to-morrow may bring, and they are still more important because they also provide the remedy. Though the situation in Manchuria is undoubtedly a special one, and has been tacitly assented to for obvious reasons by the rest of the world, it is nevertheless entirely illegal from a moral standpoint. And if this

illegal occupation continues to be tacitly assented to to-day, he would be a bold man who would dare to proclaim, as has been assumed, that no circumstances could arise which would allow, in a somewhat similar manner, another portion of the Chinese Empire to fall under the open sway of aliens.

If this is the case, it is time to find at once the preventative. That is why the question arises as to what the American fleet could now do for China—without endangering in any way the peace of the Oriental world. America has so constantly proclaimed her desire to help China that it is not strange if she is now being taken at her word. First it is necessary to see just what things would be materially benefited by the action of a strong and independent Power, unhampered by any entangling alliances. Those things having been determined, it should be easy to proceed.

The matter which invites immediate attention is not so much Manchuria as the general question of the immediate revision of China's Commercial Treaties with all the Powers. What is above all things necessary at the present moment is, not to cavil at what has come about in the past, but to insure and promote, as rapidly as possible, the growth of the New China, the one factor which, of itself, can redress the disturbed balance of power, always provided that a helping hand is given at the start. In Manchuria, the United States Government, for the time being, can merely continue to insist, as she is insisting, much to the pleasure of right-thinking Englishmen, that her consuls shall recognize none but the Chinese authorities. With this lever at work, the presumption of both Japanese and Russians will be checked as much as is possible without a complete revision of the position in the occupied territory; and with Chinese officials, encouraged thereby, straining every nerve to regain all they have temporarily lost, things will slightly improve of themselves.

But, with China's Commercial Treaties it is quite different. It is no longer in this matter a question of dealing with two Powers, which have acquired certain rights in a certain territory; but it is a question of driving into the same camp—a camp which they are really pledged to enter—all the Powers which have treaty relations with China. In order to understand the present vast importance of this question to the Peking Government, a rapid general explanation, condensed as much as possible, must here be

interjected. The problem involved is so intimately concerned with the general problem of the New China that no apology is necessary for recording certain rather weather-worn, historical facts. They indeed form another portion of the essential introduction.

In 1900 that strange movement arose in Northern China which culminated in the Boxer outbreak. By a curious combination of circumstances, which can never be properly explained, the Peking Government, weakened almost to a breaking-point by the disintegrating policy which had steadily been pursued by the Powers from the close of the disastrous Japanese war of 1894-95, after a period of curious vacillation, threw in its lot with the Boxers.

The collapse of the Boxer movement and the occupation of Peking by the avenging allies, a few weeks after the first shots had been fired, soon found the Manchu Court and the whole machinery of government safely hidden hundreds of miles away in the distant Shansi province. After the manner of discredited governments, the Court and the high officials had quickly fled from the scene of their misfortunes; and only from the safe retreat they had chosen were negotiations at length opened with the Powers. Two high Chinese plenipotentiaries having been appointed to negotiate a peace, after nearly a year of *pourparlers*, an agreement was reached with all the Powers and recorded in a document which is now recognized as being imperfect and damaging to China's international status.

This document was the Peking Peace Protocol. It was signed by the many plenipotentiaries in September, 1901, some thirteen months after the relief of Peking. Ample time, therefore, had elapsed for drawing up a proper and comprehensive document, to which should have been annexed, not only matters of secondary importance, but all matters of primary importance. Yet there were next to none of such annexions. Though the manner in which various Manchu princes and high Chinese officials, implicated in the Boxer business, were to be punished was minutely specified; and though also the manner in which the crushing general indemnity of some three hundred million gold dollars was to be paid was mathematically worked out on a banker's system, the very first matter of importance—the question of reconstruction, of giving China a helping hand to rise from the prostrated position in which she lay—this matter was indefinitely postponed.

That was a question for China to settle herself as best she

could. She had sinned; she was being punished; her punishment was the supreme question; and, consequently, when the exhausted diplomatists of Europe threw their pens aside, and exchanged congratulations with the Chinese plenipotentiaries, they possibly imagined that the signature of the Protocol had completed historic and abiding work. How abiding it was may be gauged from the fact that, twenty-nine months later, another great conflict was raging almost within sound of Peking. Though perhaps nothing could have prevented this conflict, its settlement would have been very different if in 1901 the Powers had really done their moral duty.

If all the nations whose representatives had signed this Peace Protocol had been permanently satisfied with the position of the Chinese question, it would have been a sorry day for the Far East. But, fortunately, the altruism enforced on a few Governments by the strict moral principles of their citizens soon found tentative expression. It was admitted in both England and America, before and after 1901, that steps must be taken to improve matters in China as much as possible; and new Treaty Commissioners were spoken of, and attention was indeed publicly drawn to the fact that their speedy appointment was essential.

It was high time for something of the sort. Though it is undoubtedly right to punish, it is equally right—nay, it is an imperative moral duty—to help those who have transgressed. Nations, like individuals, sin, not because they are inherently bad, but because they are very human. And the moral duty was very clear at that time in China.

For with the conclusion of the Peace Protocol and the return of the Court to Peking, China had been able to take stock of the situation a little more clearly, and at last understood how greatly entangled matters really remained, and how little the solution had been advanced by the Peace Protocol. First, she carried out the punishments of the Protocol; then she had to begin paying the monthly quotas of the great national fine which had been imposed. This amounted at once to some \$15,000,000, United States gold, a year—a great sum in an undeveloped country. Further, these annual payments were gradually to be increased and would not come to an end for thirty-nine years. As the entire revenues derived from the Chinese customs were hypothecated for the service of the loans contracted to pay the Japanese indemnities

of the war of 1894-95, new sources had to be found and set apart for the new indemnity. Consequently, the richer provinces were called upon by the Central Government to find the money as best they could, and thus a new source of discontent was created. For, among a simple agricultural population, it was not strange that the idea should have become quickly disseminated that the foreigner, having unjustly beaten them, was now only robbing them in yet another way. In Asia it is always important to note the final effects of foreign action—that is, the effect on the masses of semi-ignorant population of diplomatic decrees. The European plenipotentiaries, who signed the Peace Protocol of 1901, had almost purposely passed over the one sound method of obtaining an increased revenue from which to discharge this fresh European obligation—that is, by indirect taxation. The method was to be found in simply agreeing at once to a general increase in the Chinese customs tariff—that is, by revising the Commercial Treaties. All the Treaty Powers were in 1901 perforce seated at the same round-table, and all were interested in a prompt settlement. Had the Chinese case been more ably handled, it would have been quickly understood that such unanimity among the Powers could never be secured again, and that it was essential that, at the time when the Protocol was prepared for signature, Commercial Treaties should be drawn up conferring on China the right to reorganize her tariff. Since the Powers desired to obtain their money at all costs, they would have speedily agreed then to anything reasonable. Half of them had included in their Boxer claims against the Chinese Government enormous sums not representing actual expenditure, conspicuous among these being Germany, Russia and France; and to get these claims agreed to, as they finally were only after much haggling and cutting down, even a tariff increase would have been very acceptable.

China let the moment slip. As has happened again and again, she was ill advised; and the two high Chinese plenipotentiaries, being desirous above all things to make it possible for the Court to return speedily to Peking, were only too glad to sign a document in which the general punishment terms had been whittled down to their irreducible minimum, but in which proper provision for the future had been shamefully ignored. In a single Article of the Protocol—Article XI—provision is indeed made for this all-important revision of Commercial Treaties; but this is done in

language so singularly lax that it is open to grave misconstruction and constant evasion. Though this tariff revision was a matter of prime importance to the Chinese Government, Article XI merely says:

"The Chinese Government has engaged to negotiate amendments, judged useful by the foreign Governments, to the treaties of commerce and navigation, and other subjects touching commercial relations, with a view to facilitating them."

There was that and nothing more.

From the foreign—that is, the European-American—point of view, a certain amount of justification for this indifference was to be found in the conditions then obtaining throughout the world—conditions which were vividly reflected in Peking, and occasioned much secret alarm to the so-called Allies. England was not only still much preoccupied with South Africa, but she had further the misfortune to be represented in Peking by a diplomat whose constant effacement, when he should have played a leading part, was a matter of profound surprise among both high Chinese and Continental officials. America had not yet properly realized the overpowering importance of a strong China; and, further, she was not in a military position to play any commanding rôle. Russia and Japan, already dimly perceiving the possibilities of the future, were in a sullen and suspicious mood, and did not care what happened so long as one did not get the advantage over the other. As for the other Powers, they merely desired to pull as many chestnuts out of the fire as possible.

Fortunately, however, as has been said, there were other forces soon at work. In both England and America there undoubtedly existed an uncomfortable feeling in influential circles that China had been rudely handled; and the British Government, owing to the firm Russian occupation of Manchuria, which had come, was made quickly alive to the real necessity of rounding out the crude diplomatic work of the year 1901.

Accordingly, a treaty mission was finally sent to China in 1902, and in October of that same year Sir James Mackay, the British plenipotentiary, had done his work so well that he was able to affix his hand and seal to the now well-known, though inoperative, Mackay Treaty, in which were settled all those things which should have been attended to in Peking in 1901.

Summing up rapidly the main benefits of this treaty from the

Chinese revenue point of view—and leaving aside all other questions—this is what was agreed to: First, that *likin*, or provincial taxation of merchandise travelling in the provinces, should be entirely abolished; second, that the import tariff should be raised from an effective five-per-cent. tariff to an effective twelve-and-a-half-per-cent. tariff; third, that the export tariff should be raised from an effective five per cent. to an effective seven and a half per cent.; fourth, that, in view of the abolition of *likin* on native goods, a so-called consumption-tax, equivalent to ten per cent. of the value, should be levied on native goods at the place of consumption—*this tax, as well as all other taxation of trade, to be overseen and controlled by the Imperial Maritime Customs.*

All this was an immense step. It has been calculated that the results of this treaty going into force would roughly be to double the present annual Chinese customs revenue of thirty million gold dollars, thus allowing the service of all Chinese debts and indemnities to become practically unified by their being drawn from the same source, and also giving directly to the Peking Government—as distinguished from the provincial Governments—a handsome annual surplus from which to take the sums necessary for a gradual naval and military reconstruction. The importance of these things will be clear to every mind.

But this treaty manifestly could not go into force, as regards any of its essential clauses, without all Treaty Powers concluding identical treaties. Soon after the British-Chinese treaty had been completed, the United States Government, equally alive to the necessity of reaffirming in this way the integrity and autonomy of China, and as an offset to the Russian usurpation of Manchuria, began similar negotiations; whilst the Japanese Government, then equally solicitous about the so-called open door, hastened to follow in America's footsteps. Thus in October, 1903, both the American and Japanese treaties with China were signed. They were practically identical with the British treaty.

The outbreak of the great Far-Eastern war in the following year was a profound misfortune to China in this matter of Commercial Treaties. With the fate of the Far East hanging in the balance, it was not to be supposed that routine treaty-making could be insisted on. Thus, although China later on began commercial negotiations with other Powers, notably with Italy and Germany, on various pretexts negotiations were broken off, and

only one more treaty identical with the British-American-Japanese conventions—the Portuguese treaty—was completed. Thus to-day—that is, some *seven* years after the Protocol of 1901—only *four* Powers, out of *thirteen* which signed the international peace of 1901 with China, have done their manifest duty.

The main reasons for this delay are two: first, China's inability, owing to the vague language of Article XI of the Protocol, to enforce revision; and, second, the fact that in the Mackay Treaty—the model which America and the others accepted—there are certain clauses which specifically forbid any questionable practice of the kind the Powers have loved to indulge in in China. In section 14 of the famous Article VIII of the Mackay Treaty (the article that unconditionally abolishes *likin*), it is stated categorically:

“(1) That all Powers who are now or who may hereafter become entitled to most-favored-nation treatment in China enter into the same engagements.

“(2) And that their assent is neither directly nor indirectly made dependent on the granting by China of any political concession or any exclusive commercial concession.”

Now, many Powers, not being actuated at all by altruistic motives, cannot see why, if they assent to an increased Chinese tariff, they should not get some special privileges in return. They are not content to feel satisfied, as the British and American Governments are quite willing to be satisfied, that China's advantage will ultimately be their advantage; as in 1901, they want something which can be converted without delay into cash. Such is, frankly, the real state of international morality in China—it is mainly a question of dollars; and certain nations which have lately been pointing the finger of scorn at the so-called American worship of the Golden Calf are notoriously in China the very worst offenders in this respect.

Moreover, there is yet another clause in this much-discussed Mackay Treaty which specially affects two countries whose possessions are conterminous with those of China. These countries are Russia and France, both of which have a special land trade to protect, and both of which have been studiously avoiding treaty revision. Section 2 of the same Article VIII of the Mackay Treaty states “that the same amount of surtax (*i. e.*, the increased twelve-and-a-half-per-cent. import tax) shall be levied on goods imported into the eighteen provinces of China and three

provinces (*i. e.*, Manchuria) across the land frontiers as on goods entering China by sea."

Now, this land trade between Siberia and Manchuria in the north, and between French Indo-China and Yunnan-Kwangsi-Kwangtung provinces in the south, has always been subject to reduced taxation and special treatment in the past, in view of the fact that it has been carried on in the face of great natural difficulties by populations which are both scanty and isolated. Yet, though the building of railway systems on both these frontiers (a step which is now complete) alters radically the old conditions, neither Russia nor France is anxious to alter radically the Chinese tariff. In other words, they do not feel inclined to pay their share towards China's reconstruction, and only a pressure far greater than any China can exercise will convert them to sane views. Finally, as regards all the other Powers, only one, Germany, has any commercial importance in China. The remaining six countries which signed the Protocol of 1901 have scarcely any commercial interests at all and would undoubtedly merely follow the lead of the others in China.

But, before turning to the solution, it is necessary to say one further word regarding a smaller matter not touched upon by the Protocol of 1901 nor, indeed, by any Commercial Treaty. This is the question of post-offices. As is well known, in countries where extra-territoriality still obtains—that is, in China, in Turkey and in Siam—the foreign Powers operate their own post-offices wherever they wish in any of the so-called open ports, or places open to international trade. The result in China has been that all Powers having subsidized mail-ship lines running to the Far East, or railways running into China, have now their own post-offices at various places, worked mostly in conjunction with their Consulates. Until the late war this privilege was not much abused; but, since the Portsmouth Peace, Japan has practically dotted the whole of Southern Manchuria with her post-offices, and is acting in postal as in other matters in the most arbitrary manner possible. If China were in no position to attend to her letter-carrying obligations there would be little to say. But the plain facts are these:

For eleven years China has been devoting herself sedulously to postal improvement and expansion. Since 1897 the Imperial Chinese Postal Service has been a Sister Service of the Imperial

Maritime Customs Service—both of which have been under the control of the far-famed Sir Robert Hart. During the last four or five years, postal expansion has been so rapid that there are now nearly 2,500 Chinese post-offices; and letters are carried on a perfect system rapidly from one end of the Empire to the other. Though China is not yet a member of the Postal Union, the system now in force secures for her the co-operation of the foreign post-offices.

The reason she has been forced to refrain from entering the Postal Union is a very peculiar one. Owing to that short-sighted complacency which she has shown all too frequently in the past, China was induced to place on record some years ago that, on her joining the Postal Union and separating her Postal Service completely from the Maritime Customs Service, a French Director-General would be appointed. Why France should aspire to the control of a Chinese Service, seeing that she has virtually no commercial interests in China, can only be explained by the fact that she has always been more insistent and more successful in diplomacy than in trade, and that, as an Englishman stands at the head of the Customs Service, she sees no reason why a Frenchman should not fill a similar situation in the Postal Service. The argument may strike those who are unacquainted with the vagaries of diplomacy in Asia as being singularly absurd; but, since France lent part of the money needed by China to pay Japan her indemnities after 1895, she has long felt that she should be granted a special position in some direction, just as England is in a special position regarding the Chinese customs. Of course, the time has long gone by for this sort of thing, and the sooner that is understood the better.

The Chinese postal question is, therefore, somewhat closely related to the question of the revision of the Commercial Treaties. The closing of all foreign post-offices in China, excepting at one or two points, is essential to the success of the Chinese post-office, which is at present struggling under a great and unfair financial handicap. It might be agreed that the main foreign post-offices at Shanghai, where ninety per cent. of the foreign mails are exchanged, should be kept open for a few years pending the arrangement by China of postal subsidies. But all other foreign post-offices in China should be closed, and China would undoubtedly be willing to give the best *quid pro quo* she could find.

The imperative importance of speedily attending to these various questions is now well understood in China. Too much time has already been wasted. In August of this year the Anglo-Japanese Alliance already entered its *fourth* year. The decade of its existence is thus being rapidly shortened, without China's reconstruction being properly advanced. On the other hand, Japan is careful to see that everything in the nature of annexions to the treaty-making which concluded her peace of 1905 is relentlessly carried out, and this appears all the more significant when matters which are really in the nature of annexions to the peace of the year 1901 are seen to be left completely stranded and derelict, with no one to mind them.

The United States is the one Power which, because she is free from all entanglements, can at the present moment give all the help that is needed. Here it may be remarked that it has not escaped the notice of those who have devoted themselves to the study of contemporary politics in the Far East, that between what may be called the *theory* of diplomacy, as grandiloquently announced on home platforms, and what may be equally well called the *practice* of diplomacy, as worked out on the actual battleground of rival interests, there is a constant and grave discrepancy. Thus, while the late Secretary Hay was undoubtedly the first real mouthpiece of the open-door policy, there is no concealing the fact that the United States Government, until a very short time ago, did not care to test in any way whatsoever the genuineness of the assurances of the various Powers that they adhered strictly and absolutely to that sound policy. In other words, it may be said that, though America has undoubtedly always been perfectly sincere in her motives, her reluctance to go any farther than making formal diplomatic declarations has always been well understood—and has, therefore, always been taken advantage of.

The events of the past year have changed all that. American naval strength has been successfully concentrated on the Pacific, and, though that concentration be only temporary, it is fraught with a meaning which cannot escape general understanding. In some quarters in China, extravagant hopes were doubtless held out at first regarding the number of evils which the mere coming of this fleet would at once remove. Australians, perhaps, also believed too readily that the menace which they have consistently seen in the past was about to be removed. There were even some

who held the creed that, confronted by this armada, Japan might decide that it was wisest to cease exploiting Southern Manchuria and Korea. But, though there have been these extravagant views, there have also been modest and sensible hopes, the realization of which would injure no one.

These hopes are simply that the United States Government, since it has interested itself particularly with the Chinese problem, may see fit, whilst the fleet is off the coasts of China, to circularize the Powers to the effect that the time has arrived when practical effect should be given to the various self-denying ordinances and protestations of honest intentions, which all have been at pains to make regarding China—in other words, that the work which should have been completed at the time of the making of the Peace Protocol of 1901 be at once resumed. This is the one issue.

To deal with this work properly and exhaustively a congress is necessary; and for such a congress to be a success it is necessary that it should set to work, not in China, but *out* of China, because fair treatment for China is not possible in an atmosphere of international jealousy and striving commercialism, but only to be expected in an atmosphere of altruism. The one place for the meeting of such a congress is America—a country unhampered by considerations which might even have to weigh in England, thanks to the existence of crippling obligations which can only be terminated with the flux of time. That the idea of such a congress would be welcomed by England, as a means towards clarifying a situation which is becoming more and more obscured, cannot be doubted. Since, in spite of the constant declarations of Sir Edward Grey that the Japanese Alliance has effected all that was expected of it, British financial and commercial interests now feel differently. That such a congress could not be with decency opposed by any of the great Powers seems also manifest.

There remains, then, only the question of proposing it at the psychological moment afforded by the presence of the American fleet in Chinese waters. The issues are plain and simple, and have been briefly, if very imperfectly, explained in the preceding pages. China wishes to settle as quickly as possible a number of matters important to her reconstruction, and needed to give to her a modicum of international strength. All the world professes friendship for China; let the world, then, express that friend-

ship in a concrete form. The *agenda* of the conference would include all matters requiring settlement, and would give an opportunity, such as has never occurred before, for China's case to be publicly and properly heard.

The writer ventures to hope that this all-important matter may engage the serious attention of the Washington administration—the elaboration of details is a matter to be separately considered—and that, as the great fleet draws near the coast of China, the American press will remember that, in the interests of peace, here is a matter which should, and indeed must, be attended to. It is peculiarly appropriate that the United States should step forward in this matter, since Congress, by a singular act of generosity, has remitted the payment of a large part of the American indemnity of 1900. It is also noteworthy that in another matter affecting China's welfare—the suppression of the opium traffic—America has lent her valuable aid by suggesting and obtaining an International Conference. Yet both these actions are very minor actions compared with what has been suggested: for China's rehabilitation can only come with active foreign help; and active foreign help must be given along the lines indicated. It is China's weakness, and her inability to divest herself of that weakness without friendly help, which, in the last analysis, alone contain the menace of war constantly hanging over the Far East; and, therefore, without firing a shot or even clearing decks for action, a naval victory could be won by this great fleet about to circumnavigate the world which may influence more profoundly and more permanently than even a desperate display of sea power the course of history in Eastern Asia.

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